

**PLYMOUTH COUNTY, IOWA
Independent Auditors' Report
Financial Statements
And
Supplemental Information
Schedule of Findings and Questioned Costs
June 30, 2010**

PLYMOUTH COUNTY, IOWA

TABLE OF CONTENTS

	Page
Table of Contents	1-2
County Officials	3

FINANCIAL SECTION

Independent auditors' report	4-5
A. MANAGEMENT DISCUSSION AND ANALYSIS (required supplementary information)	6-13
B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	14
Statement of Activities	15-16
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	17-18
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Assets	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20-21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Government Funds to the Statement of Activities	22
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets	23
Notes to Financial Statements	24-38
C. REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A	
Schedule of Revenues, Expenditures, and Changes in Fund Balance,	
Budget and Actual (Cash Basis) - All Governmental Funds	39-41
Schedule of Funding Progress for the Retiree Health Plan	42
D. SUPPLEMENTARY INFORMATION	
Governmental Nonmajor Funds	
Combining Balance Sheet	43-44
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	45-46
Agency Funds	
Combining Schedule of Net Assets	47-50
Combining Schedule of Changes in Assets and Liabilities - Agency Funds	51-55
Schedule of Revenues by Source and Expenditures By Function - All Governmental Funds	56-57

PLYMOUTH COUNTY, IOWA

TABLE OF CONTENTS

SINGLE AUDIT SECTION

Schedule of expenditures of federal awards	58-59
Schedule of findings and questioned costs	60-63
Schedule of prior year findings and questioned costs	64
Independent auditors' report on compliance with requirements applicable to each major program and the internal control over compliance in accordance with OMB Circular A-133	65-66
Independent auditors' report on compliance and other matters and on the internal control over financial reporting based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	67-68
Corrective Action Plan	69-70

PLYMOUTH COUNTY, IOWA

COUNTY OFFICIALS

Name	Title	Term Expires
Mark Loutsch	Board of Supervisors	December 31, 2012
Jim Henrich	Board of Supervisors	December 31, 2012
C. Gordon Greene	Board of Supervisors	December 31, 2010
Don Kass	Board of Supervisors	December 31, 2010
Craig Anderson	Board of Supervisors	December 31, 2010
Stacey Feldman	County Auditor	December 31, 2012
Linda Dobson	County Treasurer	December 31, 2010
Jolynn Goodchild	County Recorder	December 31, 2010
Mike Van Otterloo	County Sheriff	December 31, 2012
Darin J. Raymond	County Attorney	December 31, 2010
Robert Heyderhoff	County Assessor	December 31, 2015



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Plymouth County, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PLYMOUTH COUNTY, IOWA (the County) as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with audit standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Plymouth County, Iowa, as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principals generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 2011 on our consideration of Plymouth County, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress for the retiree health plan on pages 6 through 13 and 39 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the four years ended June 30, 2009 (which are not presented herein) and expressed unqualified opinions on those financial statements. We also previously audited in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2005 (which are not presented herein) and expressed adverse opinions on those financial statements due to the effects of the omission of general fixed assets. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
January 12, 2011

PLYMOUTH COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLYMOUTH COUNTY PROVIDES THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF ITS FINANCIAL STATEMENTS. THIS NARRATIVE OVERVIEW AND ANALYSIS OF THE ACCRUAL ACCOUNTING AND FINANCIAL ACTIVITIES IS FOR THE FISCAL YEAR ENDING JUNE 30, 2010. WE ENCOURAGE READERS TO CONSIDER THIS INFORMATION IN CONJUNCTION WITH THE COUNTY'S FINANCIAL STATEMENTS, WHICH FOLLOW.

2010 FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the end of FY10 by \$46,490,832 (net assets).
- Plymouth County's FY10 total net assets increased by \$4,331,820 from FY09.
- At the end of FY10, Plymouth County governmental funds reported combined ending fund balances of \$5,216,487 a \$351,934 increase from FY09. Approximately 50% of this total amount, \$2,631,177 is available for spending at the County's discretion (unreserved fund balance).
- At the end of FY2010, unreserved fund balance for the general fund was \$687,737 or 11.5% of total general fund expenditures.
- The County's total debt decreased by \$405,000. The decrease was a result of the normal scheduled principal payments on the outstanding debt and the changes associated with the issuance of sales tax refunding bonds to refund the Series 2002 sales tax revenue bonds.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

The **Government-wide Financial Statements** consist of a statement of net assets and a statement of activities. These provide information about the activities of Plymouth County as a whole and present an overall view of the County's finances.

The **Fund Financial Statements** tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Plymouth County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Plymouth County acts solely as an agent or custodian for the benefit of those outside of the government (Agency Funds).

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the county's budget for the year, as well as presenting a schedule of funding progress for retiree health plan.

Supplemental Information provides detailed information about the non-major funds and the individual fiduciary funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the County's finances is "Is the County as a whole better off or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

The **statement of net assets** presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the statement of net assets and the statement of activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, interest on long-term debt and capital projects. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about individual funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

Plymouth County has two types of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows in and out of those funds. These balances left at year-end are available for spending. The county has 16 governmental funds. These main governmental funds include: 1) the General Fund, 2) the Special Revenue funds such as Mental Health Fund, Rural Services Fund, Secondary Roads Fund, Local Option Sales Tax Fund, Joint Urban Renewal Fund 3) the Debt Service Fund, and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The governmental funds required financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance.

A summary reconciliation between the government-wide financial statements and the governmental fund financial statements follows the governmental fund financial statements.

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for Emergency Management Services, the County Assessor, and the Emergency 911 as a few examples.

The fiduciary funds required financial statements include a statement of fiduciary assets and liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Plymouth County's total net assets for FY10 totaled \$46,490,832. The analysis that follows focuses on the components of net assets for the governmental activities.

Net Assets of Governmental Activities

	2010	2009
Current and other assets	\$15,034,262	\$13,787,137
Capital assets	51,931,802	48,303,647
Total Assets	<u>\$66,966,064</u>	<u>62,090,784</u>
Long-term debt outstanding	10,843,151	11,147,962
Other liabilities	9,632,081	8,783,810
Total liabilities	<u>\$20,475,232</u>	<u>19,931,772</u>
Net assets:		
Invested in capital assets, net of related debt	48,576,802	44,868,647
Restricted	4,986,860	4,521,497
Unrestricted	(7,072,830)	(7,231,132)
Total net assets, restated	<u>\$46,490,832</u>	<u>\$42,159,012</u>

The largest portion of the County's net assets is invested in capital assets (e.g. land, infrastructure, buildings, and equipment), less the related debt. The debt related to capital assets is liquidated with resources other than capital assets. A portion of the County's net assets (10%) represents resources that are subject to external restrictions on how they may be used. Unfortunately, there is not a positive balance in unrestricted net assets, which is used to meet the County's ongoing obligations to citizens and creditors. There is a negative balance due to the \$7,840,000 general obligation bond issued in 2005, of which \$7,205,000 is outstanding at June 30, 2010. This was not issued for County assets; it was for a grant awarded to Le Mars Business Initiative Corporation to be used for economic development purposes (Wells Corporate Campus).

Governmental Activities – Governmental activities increased the County's net assets by \$4,331,820. Key elements of this increase are as follows:

Change in Net Assets of Governmental Activities

	2010	2009
Revenues:		
Program revenues:		
Charges for service and sales	\$1,241,594	\$ 1,356,358
Operating grants and contributions	6,006,986	6,228,607
Capital grants and contributions	4,424,114	816,888

General revenues:	2010	2009
Property tax	\$7,960,457	\$ 7,240,788
Interest & penalty on taxes	58,587	52,946
State tax credits	289,848	290,651
Local Option Sales Tax	1,014,042	1,072,834
General Intergovernmental revenues	27,995	38,411
Unrestricted Investment Earnings	75,567	121,029
Gain on Sale of Assets	42,280	1,825
Miscellaneous	249,103	196,039
Total Revenues	<u>\$21,390,573</u>	<u>\$ 17,416,376</u>
Program expenses:		
Public safety and legal services	2,855,369	2,737,163
Physical health and social services	417,717	331,440
Mental health	1,670,529	1,910,180
County environment and education	873,432	799,900
Roads and transportation	8,296,349	8,136,015
Government services to residents	670,769	673,859
Administration	2,286,266	2,238,757
Non-program services	29,204	84,500
Interest on long-term debt	761,613	507,791
Total expenses	<u>\$17,861,248</u>	<u>\$17,419,605</u>
Change in net assets	3,529,325	(3,229)
Net assets - beginning	42,159,012	42,162,241
Prior period adjustment	802,495	-
Net assets - restated	<u>42,961,507</u>	<u>42,162,241</u>
Net assets - ending	<u>\$46,490,832</u>	<u>\$42,159,012</u>

- Capital grants and contributions increased due to an approximate \$3.6 million increase in farm to market revenue.
- Property tax revenue increased due to the fact taxable valuations increased \$64,144,670, however the total county levy decreased .0531.
- Charges for service and sales decreased due to a decrease in reimbursements from the state and U.S. Marshall inmate housing.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Roads and transportation saw a greater increase due to a larger number of smaller repair projects, a higher inventory kept on hand, increased snow removal costs, and an increase in depreciation expense. Mental health saw a larger decrease due to a decrease in the number of people served during the fiscal year and budget cuts to non-mandated services provided.

INDIVIDUAL MAJOR FUND ANALYSIS

As Plymouth County completed FY10, its budgetary governmental funds reported a combined fund balance of \$5,216,487. FY09 combined fund balances were \$4,864,553. This represents a total increase of \$351,934.

The General Fund, as the operating fund of Plymouth County, ended FY10 with a balance of \$799,903. The General Fund ending fund balance in FY09 was \$1,181,254. This represents a decrease of \$381,351 which is primarily due to a decrease in revenue. The General Fund balance is somewhat low and it is a goal for FY11 budget to increase slightly to a more healthy state.

The MH/DD Fund ended FY10 with a balance of \$492,854. The ending fund balance for FY09 was \$517,055. This represents a decrease of \$24,201. The MH/DD Fund is determined by state mandated formulas to set the maximum property tax dollars allowed. The fund balance has decreased from last year, which is due the fact Iowa governor Chet Culver administered a 10% cut to state property tax replacement funds. However, the State has indicated additional money will be available for counties incurring a fund balance below 10% of their expenses. If State mandates continue to determine the amount of money we can levy in this fund then cuts to services currently funded may be required.

The Rural Services Fund ended FY10 with a balance of \$844,308. The ending fund balance for FY09 was \$671,323. This represents an increase of \$172,985. The Rural Services fund balance increased primarily from an increase in property tax collection. It is a fund where the revenue exceeds its expenses. In budget year 2010-11, some County Sheriff deputies expenses will be allocated to be paid from this fund vs. the general basic fund.

The Secondary Road Fund ended FY10 with a balance of \$1,339,406. The ending fund balance for FY09 was \$1,458,540. This represents a decrease of \$119,134. The decrease is due to the decrease in state funding and the increase in snow removal costs.

The Urban Renewal Fund ended FY10 with a balance of (\$1,060,935). The ending fund balance for FY09 was (\$1,194,577). This consists of the County's purchase of property known as "Winter Feed Lots", expenses the County incurred to grade and pave Key Ave. and the purchase of property known as Le Mars Industrial Park 2nd addition. The county intends to finance this deficit with future TIF revenues.

The Local Option Sales Tax Fund ended FY10 with a balance of \$2,200,290. The ending fund balance for FY09 was \$1,773,914. This represents an increase of \$426,376. The increase is attributed to the Board allocating funds to be used for the future construction of a courthouse annex building and the ECO Center at Hillview Park for FY 10-11.

BUDGETARY HIGHLIGHTS

Over the course of the year, Plymouth County amended its budget one time. The amendment was made June 1, 2010 and resulted in an increase in budgeted disbursements related to issuance of holiday back pay to Law Enforcement Center employees, grant expenditures, IT and equipment purchases, labor relations for bargaining units negotiations.

The County's total receipts were \$358,646 less than amended budget, a variance of 1.6%. The most significant variance resulted from the County not receiving all the anticipated intergovernmental revenue.

Total disbursements were \$1,064,372 less than the amended budget. Actual disbursements for the public safety, administration, roads and transportation, county environment and education functions were \$67,477, \$266,304, \$87,176 and \$94,396 respectively, less than budgeted. This was primarily due to a decrease in anticipated costs and departments reducing spending.

Even with the budget amendment, the County exceeded the amount budgeted in the debt service function as a result of the bond refunding transaction during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY10, Plymouth County had approximately \$51.9 million invested in capital assets, net of accumulated depreciation. At the end of FY09, Plymouth County had approximately \$48.3 million invested in capital assets, net of accumulated depreciation.

Capital Assets of Governmental Activities at Year End		
	2010	2009
Land (capital asset not being depreciated)	\$1,723,857	\$ 1,040,107
Buildings and improvements	6,894,175	6,836,952
Equipment	3,613,128	3,547,238
Infrastructure	38,473,147	36,478,641
Construction in progress (capital asset not being depreciated)	1,227,495	400,709
Total Governmental Activities Capital Assets	\$51,931,802	48,303,647
Less: Total Capital Assets not being depreciated	2,951,352	1,440,816
Total Governmental Activities Capital Assets being depreciated, net	\$48,980,450	\$ 46,862,831

The County had a total accumulated depreciation on June 30, 2010 of \$31,314,180. Additional information on the County's capital assets can be found in Note 5 of the financial statements.

Long Term Debt

At the end of FY10 Plymouth County had total bonded indebtedness of \$10,560,000, including general obligation and local option sales tax refunding bonds

Outstanding Debt of Governmental Activities at Year-End		
	2010	2009
Sales tax revenue bonds, Series 2002 – Law Enforcement	\$ -	\$ 3,435,000
Sales tax refunding bonds, series 2010 – Law Enforcement	3,355,000	-
Net total of related debt to county capital assets	3,355,000	3,435,000
General obligation bonds, series 2005A – Urban Renewal	7,205,000	7,530,000
Net total outstanding debt	\$10,560,000	\$10,965,000

Additional information on the County's long-term debt can be found in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Plymouth County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2011 budget, tax rates, and fees that finance the various County services. The tax rate for FY10 in the Rural Basic Fund remains constant, at the 3.95000 maximum levy and the General Basic Fund remains constant at maximum levy of 3.50000 in order to properly fund operations of this fund for FY11. The General Fund ended FY10 with a \$381,351 net decrease in fund balance from FY09. (Plymouth County budgets on a cash basis, therefore, amounts in this budget section are also presented on a cash basis, while the rest of this report previous has been reported on an accrual basis.) The budget goal for the General Basic Fund is to help stabilize the General Fund Reserves. Plymouth County received an increase of \$64,333,305 of taxable valuation for FY11 from FY10, which increases the amount of property tax for the General Fund. The tax levy rate in the Debt Service Fund was reduced slightly to .07532 in FY11 from .08193 in FY10.

Plymouth County levy rate in the General Basic Supplemental fund was reduced slightly to 0.19498 in FY11 from 0.20347 for FY10. This levy creates \$220,000 of tax which will be used to purchase the Counties tort liability insurance.

These factors were taken into account when adopting the budget for fiscal year 2011. The amounts available for appropriation in the General Fund are approximately \$5,728,994 and the General Basic Supplemental Fund is \$220,000. The amounts available for appropriation in Special Revenue Funds, Capital Projects fund and permanent funds are approximately \$11,627,110. The amounts available for appropriation in the Debt Service Fund are \$1,268,700.

If these estimates are realized, Plymouth County's General Fund FY11 balance is expected to maintain slightly higher year end balance than FY10. The Rural Fund balance is expected to maintain the same in FY11 from FY10 due to increased revenues, but adding some sheriff deputy expenses to the rural fund.

CONTACTING THE COUNTY'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Plymouth County finances, and to show the County's accountability for the money it receives. This Management Discussion and Analysis was prepared by Auditor, Stacey Feldman. If you have any questions about this report or need additional information, contact:

Plymouth County Auditor's Office

Stacey Feldman – Plymouth County Auditor

215 4th Ave. SW
Le Mars, Iowa, 51031
Phone: (712) 546-6100
Fax: (712) 546-5784

PLYMOUTH COUNTY BOARD OF SUPERVISORS FOR FY 09-10:

Don Kass Jim Henrich Mark Loutsch Gordon Greene Craig Anderson

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 2,511,586
Receivables:	
Property Tax	50,797
Future Property Tax	9,123,482
Accrued Interest	5,158
Accounts	8,500
Due from Other Governmental Agencies	631,556
Note Receivable	976,318
Inventories	905,380
Prepaid Insurance	112,166
Bond Issue Costs	169,319
Restricted Assets:	
Cash and Pooled Investments	540,000
Land	1,723,857
Construction in Progress	1,227,495
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	48,980,450
Total Assets	<u>66,966,064</u>
LIABILITIES	
Accounts Payable	387,341
Due to Other Governmental Agencies	21,760
Deferred Revenue - Future Property Tax	9,123,482
Accrued Interest Payable	32,282
Salaries and Benefits Payable	67,216
Long Term Liabilities:	
Due Within One Year:	
General Obligation Bonds	345,000
L.O.S.T. Refunding Bonds	445,000
Compensated Absences	205,080
Due in More Than One Year:	
General Obligation Bonds	6,860,000
L.O.S.T. Refunding Bonds	2,910,000
Premium on GO Refunding Bonds	75,467
Net OPEB Liability	2,604
Total Liabilities	<u>20,475,232</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	48,576,802
Restricted for:	
Debt Service	559,164
Mental Health	492,854
Secondary Roads	1,339,406
Specific Revenues	2,595,436
Unrestricted	(7,072,830)
Total Net Assets	<u>\$ 46,490,832</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues
		Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 2,855,369	\$ 456,468
Physical health and social services	417,717	
Mental health	1,670,529	
County environment and education	873,432	160,108
Roads and transportation	8,296,349	168,870
Government services to residents	670,769	438,829
Administration	2,286,266	17,319
Non-program services	29,204	
Debt Service	761,613	
Total governmental activities	\$ 17,861,248	\$ 1,241,594

Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities
\$ 30,443	\$ 11,069	\$ (2,357,389)
200,396		(217,321)
1,239,472		(431,057)
24,100		(689,224)
4,256,866	4,399,028	528,415
10,000	14,017	(207,923)
		(2,268,947)
29,204		-
216,505		(545,108)
<u>\$ 6,006,986</u>	<u>\$ 4,424,114</u>	<u>\$ (6,188,554)</u>

General Revenues:

Property and other county tax levied for:

General Purposes	7,859,698
Debt Service	100,759
Interest and penalties on taxes	58,587
State tax credits	289,848
Local option sales tax	1,014,042
General intergovernmental revenues	27,995
Interest	75,567
Gain on Sale of Assets	42,280
Miscellaneous	249,103

Total general revenues	<u>9,717,879</u>
------------------------	------------------

Change in net assets	3,529,325
----------------------	-----------

Net assets - beginning	42,159,012
------------------------	------------

Prior Period Adjustment	802,495
-------------------------	---------

Net assets - beginning, restated	<u>42,961,507</u>
----------------------------------	-------------------

Net assets - ending	<u>\$ 46,490,832</u>
---------------------	----------------------

COUNTY OF PLYMOUTH, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2010

	General	Mental Health	Rural Services
Assets			
Cash and Pooled Investments	\$ 157,299		
Receivables:			
Property Tax	48,906	\$ 511	\$ 1,052
Future Property Tax	4,171,707	353,616	2,745,184
Accrued Interest	4,734		
Accounts	7,099		
Due from Other Funds	405,229	654,586	868,960
Due from Other Governmental Agencies	169,445	17,679	
Note Receivable			
Prepaid Insurance	112,166		
Inventories			
Restricted Assets:			
Cash and Pooled Investments			
Total Assets	5,076,585	1,026,392	3,615,196
Liabilities and Equity			
Liabilities:			
Accounts Payable	41,904	179,469	2,443
Due to Other Funds			
Due to Other Governmental Agencies	3,814		17,946
Deferred Revenue	46,907	453	993
Deferred Revenue - Future Property Tax	4,171,707	353,616	2,745,184
Salaries and Benefits Payable	12,350		4,322
Total Liabilities	4,276,682	533,538	2,770,888
Fund Balances:			
Reserved for Debt Service			
Reserved for Inventories			
Reserved for Prepaid Insurance	112,166		
Reserved for Notes Receivable			
Unreserved, designated for:			
Computers	64,835		
Unreserved for:			
General Fund	622,902		
Special Revenue Fund		492,854	844,308
Total Fund Balances (Deficit)	799,903	492,854	844,308
Total Liabilities and Equity	\$ 5,076,585	\$ 1,026,392	\$ 3,615,196

See Accompanying Notes to Financial Statements

Secondary Roads	Joint Urban Renewal	Local Option Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 331,550		\$ 1,327,870	\$ 51,361	\$ 643,506	\$ 2,511,586
	\$ 201		127		50,797
	1,257,246		101,500	494,229	9,123,482
	315		71	38	5,158
				1,401	8,500
		200,905			2,129,680
311,335		132,569		528	631,556
	967,080			9,238	976,318
					112,166
905,380					905,380
		540,000			540,000
1,548,265	2,224,842	2,201,344	153,059	1,148,940	16,994,623
158,315		1,054		4,156	387,341
	2,028,340			101,340	2,129,680
					21,760
	191		113		48,657
	1,257,246		101,500	494,229	9,123,482
50,544					67,216
208,859	3,285,777	1,054	101,613	599,725	11,778,136
		540,000	51,446		591,446
905,380					905,380
					112,166
	967,080			9,238	976,318
					64,835
					622,902
434,026	(2,028,015)	1,660,290		539,977	1,943,440
1,339,406	(1,060,935)	2,200,290	51,446	549,215	5,216,487
\$ 1,548,265	\$ 2,224,842	\$ 2,201,344	\$ 153,059	\$ 1,148,940	\$ 16,994,623

See Accompanying Notes to Financial Statements

PLYMOUTH COUNTY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds (page 18)		\$	5,216,487
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.			51,931,802
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.			48,657
Accrued expenses from the balance sheet that require current financial resources for governmental activities.			(32,282)
Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.			169,319
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds	(7,205,000)		
L.O.S.T. Refunding Bonds	(3,355,000)		
Compensated Absences	(205,080)		
Premium on GO LOST Refunding Bonds	(75,467)		
Other postemployment benefits	(2,604)		
			<u>(10,843,151)</u>
Total Net Assets - Governmental Activities (page 14)		\$	<u>46,490,832</u>

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2010

	General	Mental Health	Rural Services
Revenue:			
Property and other county taxes	\$ 3,846,264	\$ 341,453	\$ 2,472,372
Interest and penalties on taxes	58,394		
Intergovernmental	560,164	1,253,740	151,963
Licenses and permits			16,500
Charges for services	841,687		5,300
Use of money and property	140,181		
Miscellaneous	140,302	41,205	
Total Revenue	<u>5,586,992</u>	<u>1,636,398</u>	<u>2,646,135</u>
Expenditures:			
Current operating:			
Public safety and legal services	2,754,544		80,000
Physical health and social services	387,671		15,403
Mental Health		1,660,599	
County environment and education	526,990		354,281
Roads and transportation			
Government services to residents	661,408		
Administration	1,652,821		25,262
Non-program services			29,204
Capital projects			
Debt service:			
Principal			
Interest			
Total Expenditures	<u>5,983,434</u>	<u>1,660,599</u>	<u>504,150</u>
Excess (deficiency) of revenues over expenditures	<u>(396,442)</u>	<u>(24,201)</u>	<u>2,141,985</u>
Other financing sources (uses):			
Transfers in	5,943		
Transfers (out)	(91,000)		(1,969,000)
Proceeds from sale of capital assets			
Proceeds from issuance of debt	100,000		
Premiums on issuance of long-term debt			
Payment on refunded bonds			
Total other financing sources (uses)	<u>14,943</u>	<u>-</u>	<u>(1,969,000)</u>
Net Change in Fund Balances	(381,499)	(24,201)	172,985
Fund balances (deficits) - beginning of year	1,181,254	517,055	671,323
Prior Period Adjustment			
Fund balances - beginning of year, restated	<u>1,181,254</u>	<u>517,055</u>	<u>671,323</u>
Increase in Reserve for:			
Prepaid Insurance	148		
Inventory			
Fund balances (deficits) - end of year	<u>\$ 799,903</u>	<u>\$ 492,854</u>	<u>\$ 844,308</u>

See Accompanying Notes to Financial Statements

Secondary Roads	Joint Urban Renewal	Local Option Sales Tax	Debt Service	Other Governmental Funds	Total Governmental Funds
	\$ 1,018,714	\$ 1,014,042	\$ 100,759	\$ 196,654	\$ 8,990,258
			753		59,147
\$ 4,714,300			220,155	32,546	6,932,868
6,493					22,993
				12,417	859,404
29,670	5,821			1,376	177,048
134,765	50,000			14,468	380,740
4,885,228	1,074,535	1,014,042	321,667	257,461	17,422,458
				21,316	2,855,860
				10,951	414,025
					1,660,599
				25,575	906,846
6,386,246					6,386,246
				3,840	665,248
	314,215	278,149			2,270,447
					29,204
958,258				63,401	1,021,659
			785,000		785,000
			825,201		825,201
7,344,504	314,215	278,149	1,610,201	125,083	17,820,335
(2,459,276)	760,320	735,893	(1,288,534)	132,378	(397,877)
2,060,000			943,998		3,009,941
	(626,678)	(317,120)		(6,143)	(3,009,941)
51,500					51,500
		7,603	3,347,397		3,455,000
			76,376		76,376
			(3,075,000)		(3,075,000)
2,111,500	(626,678)	(309,517)	1,292,771	(6,143)	507,876
(347,776)	133,642	426,376	4,237	126,235	109,999
1,458,540	(1,194,577)	1,773,914	47,209	409,835	4,864,553
				13,145	13,145
1,458,540	(1,194,577)	1,773,914	47,209	422,980	4,877,698
					148
228,642					228,642
\$ 1,339,406	\$ (1,060,935)	\$ 2,200,290	\$ 51,446	\$ 549,215	\$ 5,216,487

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 21)	\$ 109,999
--	------------

Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	5,344,718	
Depreciation Expense	<u>(2,496,693)</u>	2,848,025

Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain or (loss) on the disposal of capital assets. This is the effect on the change in net assets on the statement of activities.	(9,220)
--	---------

Revenues reported in the funds that are available to provide current financial resources	(15,759)
--	----------

Accrued interest expense that does not require current financial resources	8,071
--	-------

Inventories and insurance in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding asset is exhausted.	228,790
---	---------

The effect of bond issuance costs when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	54,608
--	--------

Compensated absences that require current financial resources.	(23,420)
--	----------

Proceeds from issuance of long-term debt.	(3,455,000)
---	-------------

The effect of bond premium when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	(75,467)
---	----------

The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:	3,860,000
---	-----------

Other postemployment benefits that do not require current financial resources	<u>(1,302)</u>
---	----------------

Change in net assets of governmental activities (page 16)	<u>\$ 3,529,325</u>
---	---------------------

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF FIDUCIARY NET ASSETS
Fiduciary Funds - Agency Funds
JUNE 30, 2010

ASSETS

Cash and Pooled Investments	\$	1,804,678
Receivables:		
Property Tax		44,303
Future Property Tax		28,803,209
Assessments		29,376
Accounts		31,447
Accrued Interest		481
Due from Other Governments		42,808
Total Assets		<u>30,756,302</u>

LIABILITIES

Accounts Payable		3,109
Due to Other Governments		30,749,316
Compensated Absences		3,077
Salaries and Benefits Payable		800
Total Liabilities	\$	<u>30,756,302</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 1 - Summary of Significant Accounting Policies

The County of Plymouth, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, general administrative services, and economic development.

The County's Financial Statements are prepared in accordance with the U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The more significant accounting policies established by GAAP and used by the County are discussed below.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. Plymouth County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The County participates in several jointly governed organizations for which the County is not financially accountable or that the nature and significance of the relationship with the County are such that exclusion does not cause the County's financial statements to be misleading or incomplete. The County Board of Supervisors is members of or appoint representatives to the following boards and commissions: Plymouth County Assessor's Conference Board, Plymouth County and Municipal Joint Disaster Services Commission, and County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported as Agency Funds of the County.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities. The County has no business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first uses restricted resources to finance qualifying activities.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 1 - Summary of Significant Accounting (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

- 1) General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

2) Special Revenue Funds

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas.

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and used for county infrastructure and county improvements.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 1 - Summary of Significant Accounting (Continued)

The Joint Urban Renewal Fund is used to account for the TIF dollars that will be generated by a new TIF district established in Plymouth County.

- 3) Debt Service Fund - The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

- E. Budgets** – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2010, disbursements exceeded the amounts budgeted in the debt service function.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 1 - Summary of Significant Accounting (Continued)

- F. Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County uses the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost
Iowa Public Agency Investment Trust	Fair value determined by current share price

- G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2008 to compute the amounts for the accrual period July 1, 2009 to June 30, 2010. These taxes were due and payable in two installments on September 30, 2009 and March 31, 2010 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.
- H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, for governmental funds the revenue is recorded as unearned revenue and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due to other governments.

- I. Assessments Receivable – Assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten or more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Assessments receivable represents assessments, which are due and payable in the next year but have not been collected and are recorded in a fiduciary fund of the County.
- J. Due to/from Other Funds – During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.
- K. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 1 - Summary of Significant Accounting (Continued)

- L. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Reported inventories in the fund financial statements are equally offset by a fund balance reserve, which indicates that they are not available to liquidate current obligations.
- M. Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of property tax receivable not collected within sixty days after year-end.
- N. Landfill - The County participates in a 28E agreement with Plymouth County Solid Waste Agency and therefore, is not required to account for landfill post closure costs.
- O. Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements and includes the related employee benefits. A liability for these amounts is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2010. The compensated absence liability attributable to the governmental activities will be paid primarily by General and Secondary Roads Funds.
- P. Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums and discounts on new debt issued are reported as an other financing source or use.

- Q. Fund Equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use a specific purpose.
- R. Capital Assets - Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000 for equipment, \$25,000 for land and buildings, and \$65,000 for infrastructure.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 1 - Summary of Significant Accounting (Continued)

Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Buildings and Structures	10 - 75 Years
Infrastructure	10 - 65 Years
Machinery and Equipment	5 - 20 Years

Note 2 - Deposits and Pooled Investments

The County's deposits at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County has certificates of deposits only as of June 30, 2010 with various maturities extending no later than December, 2012.

Custodial Credit Risk: The County has no policy in place regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

At June 30, 2010 the County had the following investment meeting the disclosure requirement of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

	Credit Risk	Fair Value	Maturity
IPAIT	AAA	\$115,586	N/A

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at fair value. IPAIT was created pursuant to Iowa Code Chapter 28E and is registered with the Securities and Exchange Commission (SEC) in accordance with 17 C.F.R. Section 270.2a-7.

Interest rate risk: The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 3 - Notes Receivable

Plymouth County Revolving Loan Fund – During the year ended June 30, 2007 the Plymouth County Revolving Loan Fund was created. The purpose of the fund is to promote economic development in Plymouth County. During the year ended June 30, 2010, the County made no contributions to the Plymouth County Revolving Loan Fund. The County records the loan activity of this fund as a Special Revenue Fund.

The proceeds from the businesses remain in the Plymouth County Revolving Loan Fund for future loans to other businesses. Loan repayments totaled \$3,907 during the year ended June 30, 2010. The County has one loan outstanding that is secured by a personal guarantee of the business owner. The loan balance as of June 30, 2010 is \$9,238.

Note 4 - Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2010 is as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
Rural Services	Joint Urban Renewal	\$ 868,960
General Basic	Joint Urban Renewal	405,229
Local Option Sales Tax	Joint Urban Renewal	200,905
Mental Health	Joint Urban Renewal	553,246
Mental Health	Plymouth County Ethanol Urban Renewal	101,340
		<u>\$ 2,129,680</u>

The purpose of the interfund balances is to finance short-term cash flow shortages.

Note - 5 Capital Assets

A summary of changes in capital assets is as follows:

	Balance July 1, 2009 (As Restated)	Additions	Deletions	Balance June 30, 2010
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,723,857	\$ -	\$ -	\$ 1,723,857
Construction in Progress	400,709	1,480,562	653,776	1,227,495
Total capital assets not being depreciated	2,124,566	1,480,562	653,776	2,951,352
Capital assets being depreciated:				
Buildings	8,174,049	83,116	-	8,257,165
Equipment	7,623,521	532,696	458,558	7,697,659
Infrastructure	60,418,446	3,921,360	-	64,339,806
Total capital assets being depreciated	76,216,016	4,537,172	458,558	80,294,630
Less accumulated depreciation for:				
Buildings	1,231,497	131,493	-	1,362,990
Equipment	4,076,283	438,346	430,098	4,084,531
Infrastructure	23,939,805	1,926,854	-	25,866,659
Total accumulated depreciation	29,247,585	2,496,693	430,098	31,314,180
Total capital assets being depreciated, net	46,968,431	2,040,479	28,460	48,980,450
Governmental activities capital assets, net	<u>\$ 49,092,997</u>	<u>\$ 3,521,041</u>	<u>\$ 682,236</u>	<u>\$ 51,931,802</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note - 5 Capital Assets (Continued)

Depreciation expense was charged to the functions as follows:

Public safety and legal services	\$ 66,038
Physical health and social services	3,434
Mental health	9,325
County environment and education	21,787
Roads and transportation	2,257,374
Government services to residents	4,804
Administration	133,931
	<u>\$ 2,496,693</u>

Reconciliation of Invested in Capital Assets:

	Governmental Activities
Land	\$ 1,723,857
Construction in Progress	1,227,495
Capital Assets (net of accumulated depreciation)	48,980,450
Less: Revenue Bonds	<u>(3,355,000)</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 48,576,802</u>

Note - 6 Long-Term Liabilities

The County's computed legal debt limit as of June 30, 2010, is \$95,315,522 of which \$10,560,000 is committed for outstanding general obligation bonds.

The following is a summary of changes in long-term liability for the year ended June 30, 2010:

	General Obligation Bonds	L.O.S.T. Revenue Bonds	L.O.S.T. Refunding Bonds	Compensated Absences	Total
Balance Beginning of Year	\$ 7,530,000	\$ 3,435,000	\$ -	\$ 181,660	\$11,146,660
Increases	-	-	3,355,000	205,080	3,560,080
Decreases	325,000	3,435,000	-	181,660	3,941,660
Balance End of Year	<u>\$ 7,205,000</u>	<u>\$ -</u>	<u>3,355,000</u>	<u>\$ 205,080</u>	<u>\$10,765,080</u>
Due Within One Year	<u>\$ 345,000</u>	<u>\$ -</u>	<u>\$ 445,000</u>	<u>\$ 205,080</u>	<u>\$ 995,080</u>

Bonds Payable

A summary of the County's June 30, 2010 general obligation and local option sales tax bond indebtedness is as follows:

	Date Of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 30, 2010
<i>General Obligation</i>					
<i>Urban Renewal Bonds:</i>					
Series 2005A	2005	3.45 – 4.40%	\$345,000 - \$630,000	\$7,840,000	\$ 7,205,000
<i>Local Option Sales Tax Refunding:</i>					
Series 2010	2010	2.45 – 3.0%	\$445,000 - \$520,000	\$3,355,000	<u>3,355,000</u>
					<u>\$10,560,000</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note - 6 Long-Term Liabilities (Continued)

In June 2005, the County issued \$7,840,000 of General Obligation Urban Renewal Bonds to be used for economic development purposes in Plymouth County. The bonds will be repaid with future TIF revenues generated from the increased tax base.

In June 2010, the County issued \$3,355,000 of General Obligation Local Option Sales Tax Refunding Bonds in an advance refunding of the 2002 L.O.S.T. Revenue Bonds. The 2010 bonds have an average interest rate of 2.45% - 3.0%. The net proceeds from this issuance were used to purchase U.S. government securities and were deposited in an escrow account with Bankers Trust Company. As of June 30, 2010, the amount in escrow was \$3,361,213. This amount will be used to refund the remaining \$3,075,000 on December 1, 2012 when the notes become callable. As a result, the County will reduce its debt service payments over the next fifteen years by \$8,282 and obtain an economic gain of \$6,769.

Short-Term Liability

Balance Beginning of Year	\$ -
Increases	100,000
Decreases	100,000
Balance End of Year	<u>\$ -</u>

During the year the County purchased fixed assets with the short-term liability.

The annual requirements to amortize all bonds outstanding as of June 30, 2010, are as follows:

Fiscal Year	General Obligation Principal	L.O.S.T. Refunding Bonds Principal	Interest	Total
2011	\$ 345,000	\$ 445,000	\$ 380,710	\$ 1,170,710
2012	370,000	450,000	355,383	1,175,383
2013	390,000	465,000	328,522	1,183,522
2014	405,000	480,000	300,113	1,185,113
2015	420,000	490,000	270,375	1,180,375
2016-2020	2,370,000	1,025,000	947,236	4,342,236
2021-2025	2,905,000	-	388,335	3,293,335
	<u>\$ 7,205,000</u>	<u>\$ 3,355,000</u>	<u>\$ 2,970,674</u>	<u>\$ 13,530,674</u>

\$559,164 is available to service the General Obligation and L.O.S.T. Refunding Bonds. The general obligation bonds are to be retired through property tax levies. The Local Sales Tax Refunding Bonds are to be retired through local option sales tax revenue and contributions from surrounding communities pursuant to a 28E agreement.

There are a number of limitations and restrictions contained in the various bond indentures creating certain reserve and sinking funds to insure repayment of the revenue bonds. A summary of the fund requirements is as follows:

Special Revenue	Type of Account	Required Balance June 30, 2010	Actual Balance June 30, 2010
Local Option Sales Tax	Sinking Fund	\$ 535,158	\$ 540,000*

*Amounts are classified as restricted assets on the combined balance sheet.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 7 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2010 is as follows:

	General	Rural Services	Local Option Sales Tax	Joint Urban Renewal	Non-Major Governmental Funds	Total Transfer In:
General	\$ -	\$ -	\$ -	\$ -	\$ 5,943	\$ 5,943
Secondary Roads	91,000	1,969,000	-	-	-	2,060,000
Debt Service	-	-	317,120	626,678	200	943,998
Transfer Out:	\$ 91,000	\$1,969,000	\$ 317,120	\$ 626,678	\$ 6,143	\$ 3,009,941

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

Note 8 - Risk Management

Plymouth County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 637 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each members' annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital.

Capital contributions are made during the first six years of membership and are maintained to equal 200 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2010 were \$230,353.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 8 - Risk Management (Continued)

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2010, no liability has been recorded in the County's financial statements. As of June 30, 2010, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County also participates in the Iowa Municipalities Workers' Compensation Association (IMWCA) for workman's compensation insurance.

Note 9 - Pension and Retirement

Iowa Public Employees Retirement System – The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by the state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, IA 50306-9117

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 9 - Pension and Retirement (Continued)

Most regular plan members are required to contribute 4.30% of their annual covered salary and the County is required to contribute 6.65% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially defined contribution rate. Contribution requirements are established by state statute. The County contribution to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$345,743, \$321,206, and \$283,545, respectively, equal to the required contributions for each year.

Note 10 - Other Postemployment Benefits (OPEB)

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 108 active and 1 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage, which is a medical plan, is administered by Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 6,915
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>6,915</u>
Contributions made	<u>(5,613)</u>
Increase in net OPEB obligation	1,302
Net OPEB obligation beginning of year	1,302
Net OPEB obligation end of year	<u>\$ 2,604</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 10 - Other Postemployment Benefits (OPEB) (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years 2010 and 2009 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 6,915	81.17%	\$ 2,604
June 30, 2009	\$ 6,915	81.17%	\$ 1,302

Funded Status and Funding Progress. As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$59,051, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$59,051. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$4,675,000 and the ratio of the UAAL to covered payroll was 1.26%. As of June 30, 2010, there were no trust fund assets.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2008 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table. Annual retirement and termination probabilities were based on 25% for actives currently electing coverage beginning at age 55 and 0% for actives currently waiving coverage.

Projected claim costs of the medical plan are \$926 per month for retirees less than age 65. The salary increase rate was assumed to be 2% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 11 - 28E Agreement

During the year ended June 30, 2002, the County entered into several 28E Agreements with the communities in the County to contribute funds for the construction of a County jail from local option sales tax proceeds. The communities agreed to contribute a total of \$3,236,020 through November 2016. As of June 30, 2010, the communities have made payments totaling \$1,736,431. Subsequent to year end, the communities had agreed on a new 28E repayment schedule due to the issuance of the LOST refunding bonds which reduced the future bond payments. The new agreement reduced the payments remaining from the area communities from \$1,499,589 to \$1,495,292 with the final payments due December 1, 2016.

Note 12 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2010, the County estimates that no material liabilities will result from such audits.

The County is a defendant in a number of lawsuits in its normal course of operations. The outcome of these lawsuits is not presently determinable and an estimate of possible losses cannot be made.

Note 13 - Commitments

The County has entered into a construction contract totaling \$229,971 for bridge construction. As of June 30, 2010, no amounts had been incurred against the contract. The balance of \$229,971 will be paid as work on the project progresses.

Note 14 - Deficit Fund Balances

The County has three funds with deficit fund balances at June 30, 2010. The County intends to finance the deficits in the Urban Renewal funds with future TIF revenues. The Veteran's Affairs deficit will be financed with LOST revenues.

The fund deficits were as follows:

Special Revenue – Joint Urban Renewal	\$ 1,060,935
Special Revenue – Plymouth County Ethanol	
Urban Renewal	\$ 101,340
Special Revenue – Veteran's Affairs	\$ 951

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2010

Note 15 - Prior Period Adjustment and Restatements

During the year it was discovered that a note receivable was omitted from the financial statements for the year ended June 30, 2009. A note receivable in the principal amount of \$16,000 was not recorded in the Revolving Loan Fund in error. To correct this error, the beginning fund balance of the Revolving Loan Fund of \$437,190, as originally reported, has been increased to \$450,335 to reflect the note receivable and the subsequent payment of \$2,855 received during 2009.

In the current year, it was also determined that certain secondary roads assets had been omitted from the asset listings in prior years. It was determined that \$110,00 of building additions, \$4,400 of related depreciation, and \$683,750 of land additions had been omitted from the asset listing in error. To correct this error, the Government-Wide Land and Infrastructure and Property and Equipment, Net of Accumulated Depreciation were restated to reflect the additional capital assets of the County. The government-wide governmental activities beginning net assets of the County was increased by \$789,350 as a result of the adjustments.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL - ALL GOVERNMENTAL FUNDS (BUDGETARY BASIS)
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property and other county taxes	\$ 8,468,665	\$ 8,468,665	\$ 9,045,482	\$ 576,817
Interest and penalties on taxes	38,700	38,700	60,968	22,268
Intergovernmental	7,889,150	8,031,636	7,281,434	(750,202)
Licenses and permits	19,550	19,550	28,759	9,209
Charges for services	1,029,900	1,045,510	866,334	(179,176)
Use of money and property	289,600	289,600	191,553	(98,047)
Miscellaneous	317,000	318,206	312,445	(5,761)
Total Revenue	18,052,565	18,211,867	17,786,975	(424,892)
Expenditures:				
Current operating:				
Public safety and legal services	2,861,120	2,923,762	2,856,285	67,477
Physical health and social services	290,360	370,360	351,013	19,347
Mental Health	1,909,850	1,909,850	1,751,393	158,457
County environment and education	946,642	976,058	881,662	94,396
Roads and transportation	6,394,000	6,394,000	6,306,824	87,176
Government services to residents	711,882	711,882	664,299	47,583
Administration	2,517,950	2,542,021	2,275,717	266,304
Debt service	1,265,731	1,265,731	1,610,201	(344,470)
Capital projects	1,354,725	1,354,725	1,029,254	325,471
Total Expenditures	18,252,260	18,448,389	17,726,648	721,741
Excess (Deficiency) of revenues over expenditures	(199,695)	(236,522)	60,327	296,849
Other financing sources (uses):				
Transfers in	3,018,799	3,018,799	3,009,941	(8,858)
Transfers out	(3,018,799)	(3,018,799)	(3,009,941)	8,858
Proceeds from sale of capital assets	-	-	51,500	51,500
Proceeds from issuance of debt	99,000	99,000	3,455,000	3,356,000
Premiums on issuance of long-term debt	-	-	76,376	76,376
Payment on refunded bonds	-	-	(3,075,000)	(3,075,000)
Total other financing sources (uses)	99,000	99,000	507,876	408,876
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (100,695)	\$ (137,522)	568,203	\$ 705,725
Balance beginning of year			2,483,383	
Balance end of year			\$ 3,051,586	

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2010

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$196,129. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During fiscal year 2010, the County had one budget amendment. The amendment is as follows:

<u>Function</u>	<u>Original Budget</u>	<u>Amendment</u>	<u>Amended Budget</u>
Public Safety and Legal Services	\$ 2,861,120	\$ 62,642	\$ 2,923,762
Physical Health and Social Services	290,360	80,000	370,360
Mental Health	1,909,850	-	1,909,850
County Environment and Education	946,642	29,416	976,058
Roads and Transportation	6,394,000	-	6,394,000
Government Services to Residents	711,882	-	711,882
Administration	2,517,950	24,071	2,542,021
Capital Projects	1,354,725	-	1,354,725
Debt Service	1,265,731	-	1,265,731
Total	<u>\$ 18,252,260</u>	<u>\$ 196,129</u>	<u>\$ 18,448,389</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2010

As noted previously, the actual results of operations are presented in accordance with U.S. generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2009-10 budget. For purposes of preparing the budget comparison above, the actual expenses have been adjusted to the cash basis which is consistent with the County's budgeted expenditures. The adjustments required to convert the expenses to cash basis at the end of year are as follows:

Governmental Funds			
	Cash Basis	Total Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 17,786,975	\$ (364,517)	\$ 17,422,458
Expenditures	17,726,648	93,687	17,820,335
Net	60,327	(458,204)	(397,877)
Other Financing Sources	507,876	-	507,876
Beginning Fund Balance	2,483,383	2,394,315	4,877,698
Increase in Reserve for Inventory	-	228,642	228,642
Increase in Reserve for Prepaid Insurance	-	148	148
Ending Fund Balance	<u>\$ 3,051,586</u>	<u>\$ 2,164,901</u>	<u>\$ 5,216,487</u>

PLYMOUTH COUNTY
Schedule of Funding Progress for the Retiree Health Plan
Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,385,000	1.34%
2010	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,675,000	1.26%

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2010

	Special Revenue Funds			
	Revolving Loan Fund	Veteran Affairs County Grant	County Attorney Collection Incentive	Recorder's Records Management Fund
Assets				
Cash and Pooled Investments	\$ 441,443	\$ 1,595	\$ 31,316	\$ 27,494
Receivables:				
Future Property Tax				17
Accrued Interest			1,401	
Accounts		-		528
Due from Other Governmental Agencies				
Note Receivable	9,238			
Total Assets	<u>450,681</u>	<u>1,595</u>	<u>32,717</u>	<u>28,039</u>
Liabilities and Equity				
Liabilities:				
Accounts Payable		2,546		
Due to Other Funds				
Deferred Revenue - Future Property Tax				
Total Liabilities	<u>-</u>	<u>2,546</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for Notes Receivable	9,238			
Unreserved for:				
Special Revenue Fund	441,443	(951)	32,717	28,039
Total Fund Balances (Deficit)	<u>450,681</u>	<u>(951)</u>	<u>32,717</u>	<u>28,039</u>
Total Liabilities and Equity	<u>\$ 450,681</u>	<u>\$ 1,595</u>	<u>\$ 32,717</u>	<u>\$ 28,039</u>

Special Revenue Funds					
REAP	Forfeiture Fund	Plymouth County Ethanol Urban Renewal	Conservation Land Acquisition	Capital Projects	Total
\$ 35,563	\$ 77,315		\$ 28,780		\$ 643,506
		\$ 494,229			494,229
21					38
					1,401
					528
					9,238
35,584	77,315	494,229	28,780	-	1,148,940
1,565	45				4,156
		101,340			101,340
		494,229			494,229
1,565	45	595,569	-	-	599,725
					9,238
34,019	77,270	(101,340)	28,780		539,977
34,019	77,270	(101,340)	28,780	-	549,215
\$ 35,584	\$ 77,315	\$ 494,229	\$ 28,780	\$ -	\$ 1,148,940

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds			
	Revolving Loan Fund	Veteran Affairs County Grant	County Attorney Collection Incentive	Recorder's Records Management Fund
Revenue:				
Property and other county taxes				
Intergovernmental		\$ 10,000	\$ 1,376	
Charges for services			6,709	\$ 5,708
Use of money and property	\$ 346			193
Miscellaneous				
Total Revenue	346	10,000	8,085	5,901
Expenditures:				
Current operating:				
Public safety and legal services			293	
Physical health and social services		10,951		
County environment and education				
Government services to residents				3,840
Capital projects				
Total Expenditures	-	10,951	293	3,840
Excess (Deficiency) of revenues over expenditures	346	(951)	7,792	2,061
Other financing sources (uses):				
Transfers (out)				
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	346	(951)	7,792	2,061
Fund balances - beginning of year	437,190	-	24,925	25,978
Prior Period Adjustment	13,145			
Fund balances-beginning of year, restated	450,335	-	24,925	25,978
Fund balances (Deficits) - end of year	\$ 450,681	\$ (951)	\$ 32,717	\$ 28,039

Special Revenue Funds					
REAP	Forfeiture Fund	Plymouth County Ethanol Urban Renewal	Conservation Land Acquisition	Capital Projects	Total
		\$ 196,654			\$ 196,654
\$ 20,100	\$ 1,070				32,546
					12,417
362	116			\$ 359	1,376
	14,468				14,468
20,462	15,654	196,654	-	359	257,461
	21,023				21,316
					10,951
25,494	81				25,575
					3,840
				63,401	63,401
25,494	21,104	-	-	63,401	125,083
(5,032)	(5,450)	196,654	-	(63,042)	132,378
				(6,143)	(6,143)
-	-	-	-	(6,143)	(6,143)
(5,032)	(5,450)	196,654	-	(69,185)	126,235
39,051	82,720	(297,994)	28,780	69,185	409,835
					13,145
39,051	82,720	(297,994)	28,780	69,185	422,980
\$ 34,019	\$ 77,270	\$ (101,340)	\$ 28,780	\$ -	\$ 549,215

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS
Agency Funds
JUNE 30, 2010

	County Recorder	County Sheriff	Ag Extension Education	County Assessor
ASSETS				
Cash and Pooled Investments	\$ 68,402	\$ 28,089	\$ 2,482	\$ 220,553
Receivables:				
Property Tax			282	800
Future Property Tax Assessments			195,000	553,542
Accounts	156			
Accrued Interest				72
Due from Other Governments				
Total Assets	68,558	28,089	197,764	774,967
LIABILITIES				
Accounts Payable		2,111		141
Due to Other Governments	68,558	25,978	197,764	771,818
Compensated Absences				2,208
Salaries and Benefits Payable				800
Total Liabilities	\$ 68,558	\$ 28,089	\$ 197,764	\$ 774,967

Schools	Area Schools	Corporations	Townships	City Special Assessments
\$ 197,486	\$ 11,640	\$ 79,481	\$ 4,290	\$ 990
23,337	1,335	18,425	119	
16,510,918	921,063	10,292,582	326,268	29,376
16,731,741	934,038	10,390,488	330,677	30,366
16,731,741	934,038	10,390,488	330,677	30,366
\$ 16,731,741	\$ 934,038	\$ 10,390,488	\$ 330,677	\$ 30,366

(continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS (Continued)
Agency Funds
JUNE 30, 2010

	Auto License-Use Tax	Joint Disaster	EMA Grant	Brucellosis & Tuberculosis Eradication
ASSETS				
Cash and Pooled Investments	\$ 586,066	\$ 35,575		\$ 43
Receivables:				
Property Tax				5
Future Property Tax Assessments				3,836
Accounts				
Accrued Interest				
Due from Other Governments		29,551		
Total Assets	<u>586,066</u>	<u>65,126</u>	<u>-</u>	<u>3,884</u>
LIABILITIES				
Accounts Payable		274		
Due to Other Governments	586,066	63,983		3,884
Compensated Absences		869		
Salaries and Benefits Payable				
Total Liabilities	<u>\$ 586,066</u>	<u>\$ 65,126</u>	<u>\$ -</u>	<u>\$ 3,884</u>

Tax Redemption	Emergency 911	Future Tax Payment	Recorder's Electronic Fee Fund	Drainage Districts	Total
\$ 29,449	\$ 424,433	\$ 95,784	\$ 1,212	\$ 18,703	\$ 1,804,678
					44,303
					28,803,209
					29,376
	31,291				31,447
	409				481
	11,685		1,572		42,808
29,449	467,818	95,784	2,784	18,703	30,756,302
	583				3,109
29,449	467,235	95,784	2,784	18,703	30,749,316
					3,077
					800
\$ 29,449	\$ 467,818	\$ 95,784	\$ 2,784	\$ 18,703	\$30,756,302

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2010

	Balance June 30, 2009	Addi- tions	Deduc- tions	Balance June 30, 2010
County Recorder				
<i>Assets</i>				
Cash and Pooled Investments	\$ 71,838	\$ 466,548	\$ 469,984	\$ 68,402
Accounts Receivable	259	156	259	156
Total Assets	<u>72,097</u>	<u>466,704</u>	<u>470,243</u>	<u>68,558</u>
<i>Liabilities</i>				
Due to Other Governments	72,097	466,704	470,243	68,558
Total Liabilities	<u>72,097</u>	<u>466,704</u>	<u>470,243</u>	<u>68,558</u>
County Sheriff				
<i>Assets</i>				
Cash and Pooled Investments	27,096	139,219	138,226	28,089
Total Assets	<u>27,096</u>	<u>139,219</u>	<u>138,226</u>	<u>28,089</u>
<i>Liabilities</i>				
Account Payable	692	41,394	39,975	2,111
Due to Other Governments	26,404	97,825	98,251	25,978
Total Liabilities	<u>27,096</u>	<u>139,219</u>	<u>138,226</u>	<u>28,089</u>
Agricultural Extension Education				
<i>Assets</i>				
Cash and Pooled Investments	2,163	189,648	189,329	2,482
Property Tax Receivable	448	282	448	282
Future Property Tax Receivable	189,000	195,000	189,000	195,000
Total Assets	<u>191,611</u>	<u>384,930</u>	<u>378,777</u>	<u>197,764</u>
<i>Liabilities</i>				
Due to Other Governments	191,611	384,930	378,777	197,764
Total Liabilities	<u>191,611</u>	<u>384,930</u>	<u>378,777</u>	<u>197,764</u>
County Assessor				
<i>Assets</i>				
Cash and Pooled Investments	106,010	650,913	536,370	220,553
Property Tax Receivable	1,469	800	1,469	800
Future Property Tax Receivable	620,149	553,542	620,149	553,542
Accrued Interest	45	72	45	72
Total Assets	<u>727,673</u>	<u>1,205,327</u>	<u>1,158,033</u>	<u>774,967</u>
<i>Liabilities</i>				
Accounts Payable	824	141	824	141
Compensated Absences	213	2,208	213	2,208
Salaries & Benefits Payable	-	800	-	800
Due to Other Governments	726,636	1,202,178	1,156,996	771,818
Total Liabilities	<u>\$ 727,673</u>	<u>\$ 1,205,327</u>	<u>\$ 1,158,033</u>	<u>\$ 774,967</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2010

	Balance June 30, 2009	Addi- tions	Deduc- tions	Balance June 30, 2010
Schools				
Assets				
Cash and Pooled Investments	\$ 166,494	\$ 14,802,567	\$ 14,771,575	\$ 197,486
Property Tax Receivable	36,189	23,337	36,189	23,337
Future Property Tax Receivable	14,757,599	16,510,918	14,757,599	16,510,918
Total Assets	<u>14,960,282</u>	<u>31,336,822</u>	<u>29,565,363</u>	<u>16,731,741</u>
Liabilities				
Due to Other Governments	14,960,282	31,336,822	29,565,363	16,731,741
Total Liabilities	<u>14,960,282</u>	<u>31,336,822</u>	<u>29,565,363</u>	<u>16,731,741</u>
Area Schools				
Assets				
Cash and Pooled Investments	9,884	889,302	887,546	11,640
Property Tax Receivable	2,103	1,335	2,103	1,335
Future Property Tax Receivable	886,249	921,063	886,249	921,063
Total Assets	<u>898,236</u>	<u>1,811,700</u>	<u>1,775,898</u>	<u>934,038</u>
Liabilities				
Due to Other Governments	898,236	1,811,700	1,775,898	934,038
Total Liabilities	<u>898,236</u>	<u>1,811,700</u>	<u>1,775,898</u>	<u>934,038</u>
Corporations				
Assets				
Cash and Pooled Investments	62,605	10,095,770	10,078,894	79,481
Property Tax Receivable	47,414	18,425	47,414	18,425
Future Property Tax Receivable	9,799,764	10,292,582	9,799,764	10,292,582
Total Assets	<u>9,909,783</u>	<u>20,406,777</u>	<u>19,926,072</u>	<u>10,390,488</u>
Liabilities				
Due to Other Governments	9,909,783	20,406,777	19,926,072	10,390,488
Total Liabilities	<u>9,909,783</u>	<u>20,406,777</u>	<u>19,926,072</u>	<u>10,390,488</u>
Townships				
Assets				
Cash and Pooled Investments	4,062	305,288	305,060	4,290
Property Tax Receivable	353	119	353	119
Future Property Tax Receivable	305,935	326,268	305,935	326,268
Total Assets	<u>310,350</u>	<u>631,675</u>	<u>611,348</u>	<u>330,677</u>
Liabilities				
Due to Other Governments	310,350	631,675	611,348	330,677
Total Liabilities	<u>\$ 310,350</u>	<u>\$ 631,675</u>	<u>\$ 611,348</u>	<u>\$ 330,677</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2010

	Balance June 30, 2009	Addi- tions	Deduc- tions	Balance June 30, 2010
City Special Assessments				
<i>Assets</i>				
Cash and Pooled Investments	\$ 760	\$ 16,815	\$ 16,585	\$ 990
Assessments Receivable	28,902	29,376	28,902	29,376
Total Assets	<u>29,662</u>	<u>46,191</u>	<u>45,487</u>	<u>30,366</u>
<i>Liabilities</i>				
Due to Other Governments	29,662	46,191	45,487	30,366
Total Liabilities	<u>29,662</u>	<u>46,191</u>	<u>45,487</u>	<u>30,366</u>
Auto License and Use Tax				
<i>Assets</i>				
Cash and Pooled Investments	573,425	6,976,312	6,963,671	586,066
Total Assets	<u>573,425</u>	<u>6,976,312</u>	<u>6,963,671</u>	<u>586,066</u>
<i>Liabilities</i>				
Due to Other Governments	573,425	6,976,312	6,963,671	586,066
Total Liabilities	<u>573,425</u>	<u>6,976,312</u>	<u>6,963,671</u>	<u>586,066</u>
Joint Disaster				
<i>Assets</i>				
Cash and Pooled Investments	9,669	113,498	87,592	35,575
Due from Other Governments	29,761	29,551	29,761	29,551
Total Assets	<u>39,430</u>	<u>143,049</u>	<u>117,353</u>	<u>65,126</u>
<i>Liabilities</i>				
Accounts Payable	-	274	-	274
Compensated Absences	844	869	844	869
Due to Other Governments	38,586	141,906	116,509	63,983
Total Liabilities	<u>39,430</u>	<u>143,049</u>	<u>117,353</u>	<u>65,126</u>
EMA Grant				
<i>Assets</i>				
Cash and Pooled Investments	-	37,905	37,905	-
Total Assets	<u>-</u>	<u>37,905</u>	<u>37,905</u>	<u>-</u>
<i>Liabilities</i>				
Due to Other Governments	-	37,905	37,905	-
Total Liabilities	<u>\$ -</u>	<u>\$ 37,905</u>	<u>\$ 37,905</u>	<u>\$ -</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2010

	Balance June 30, 2009	Addi- tions	Deduc- tions	Balance June 30, 2010
Brucellosis and Tuberculosis Eradication				
Assets				
Cash and Pooled Investments	\$ -	\$ 5,769	\$ 5,726	\$ 43
Property Tax Receivable	8	5	8	5
Future Property Tax	3,244	3,836	3,244	3,836
Total Assets	<u>3,252</u>	<u>9,610</u>	<u>8,978</u>	<u>3,884</u>
Liabilities				
Due to Other Governments	<u>3,252</u>	<u>9,610</u>	<u>8,978</u>	<u>3,884</u>
Total Liabilities	<u>3,252</u>	<u>9,610</u>	<u>8,978</u>	<u>3,884</u>
Tax Redemption				
Assets				
Cash and Pooled Investments	<u>17,053</u>	<u>369,701</u>	<u>357,305</u>	<u>29,449</u>
Total Assets	<u>17,053</u>	<u>369,701</u>	<u>357,305</u>	<u>29,449</u>
Liabilities				
Due to Other Governments	<u>17,053</u>	<u>369,701</u>	<u>357,305</u>	<u>29,449</u>
Total Liabilities	<u>17,053</u>	<u>369,701</u>	<u>357,305</u>	<u>29,449</u>
E-911				
Assets				
Cash and Pooled Investments	311,522	183,653	70,742	424,433
Accounts Receivable	32,711	31,291	32,711	31,291
Accrued Interest	355	409	355	409
Due from Other Governments	10,877	11,685	10,877	11,685
Total Assets	<u>355,465</u>	<u>227,038</u>	<u>114,685</u>	<u>467,818</u>
Liabilities				
Accounts Payable	-	583	-	583
Due to Other Governments	<u>355,465</u>	<u>226,455</u>	<u>114,685</u>	<u>467,235</u>
Total Liabilities	<u>355,465</u>	<u>227,038</u>	<u>114,685</u>	<u>467,818</u>
Future Tax				
Assets				
Cash and Pooled Investments	<u>126,917</u>	<u>115,540</u>	<u>146,673</u>	<u>95,784</u>
Total Assets	<u>126,917</u>	<u>115,540</u>	<u>146,673</u>	<u>95,784</u>
Liabilities				
Due to Other Governments	<u>126,917</u>	<u>115,540</u>	<u>146,673</u>	<u>95,784</u>
Total Liabilities	<u>126,917</u>	<u>115,540</u>	<u>146,673</u>	<u>95,784</u>
Recorder's Electronic Fee Fund				
Assets				
Cash	556	15,912	15,256	1,212
Due From Other Governments	<u>586</u>	<u>1,572</u>	<u>586</u>	<u>1,572</u>
Total Assets	<u>1,142</u>	<u>17,484</u>	<u>15,842</u>	<u>2,784</u>
Liabilities				
Due to Other Governments	<u>1,142</u>	<u>17,484</u>	<u>15,842</u>	<u>2,784</u>
Total Liabilities	<u>\$ 1,142</u>	<u>\$ 17,484</u>	<u>\$ 15,842</u>	<u>\$ 2,784</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2010

	Balance July 1, 2009	Addi- tions	Deduc- tions	Balance June 30, 2010
Drainage Districts				
Assets				
Cash and Pooled Investments	\$ 18,687	\$ 16	\$ -	\$ 18,703
Total Assets	<u>18,687</u>	<u>16</u>	<u>-</u>	<u>18,703</u>
Liabilities				
Due to Other Governments	18,687	16	-	18,703
Total Liabilities	<u>18,687</u>	<u>16</u>	<u>-</u>	<u>18,703</u>
Total All Agency Funds				
Assets				
Cash and Pooled Investments	1,508,741	35,336,471	35,040,534	1,804,678
Receivables:				
Property Tax	87,984	44,303	87,984	44,303
Future Property Tax	26,561,940	28,803,209	26,561,940	28,803,209
Accounts	32,970	31,447	32,970	31,447
Assessments	28,902	29,376	28,902	29,376
Accrued Interest	400	481	400	481
Due from Other Governments	41,224	42,808	41,224	42,808
Total Assets	<u>28,262,161</u>	<u>64,288,095</u>	<u>61,793,954</u>	<u>30,756,302</u>
Liabilities				
Accounts Payable	1,516	42,392	40,799	3,109
Due to Other Governments	28,259,588	64,241,826	61,752,098	30,749,316
Compensated Absences	1,057	3,077	1,057	3,077
Salaries and Benefits Payable	-	800	-	800
Total Liabilities	<u>\$ 28,262,161</u>	<u>\$ 64,288,095</u>	<u>\$ 61,793,954</u>	<u>\$ 30,756,302</u>

COUNTY OF PLYMOUTH, IOWA

**Schedule of Revenues By Source and Expenditures By Function - All Governmental Funds
For the Last Eight Years**

	Modified Accrual Basis of Accounting		
	2010	2009	2008
Revenue:			
Property and other county tax	\$ 8,990,258	\$ 8,308,557	\$ 7,029,638
Interest and penalty on property tax	59,147	52,946	66,489
Intergovernmental	6,932,868	7,024,793	7,434,084
Licenses and permits	22,993	30,113	18,916
Charges for services	859,404	1,022,824	943,907
Use of money and property	177,048	228,436	332,861
Miscellaneous	380,740	349,320	314,448
Total Revenue	17,422,458	17,016,989	16,140,343
Expenditures:			
Current operating:			
Public safety and legal services	2,855,860	2,734,558	2,658,332
Physical health and social services	414,025	328,814	264,204
Mental health	1,660,599	1,902,737	2,009,963
County environment and education	906,846	769,916	869,298
Roads and transportation	6,386,246	6,178,260	6,461,398
Government services to residents	665,248	674,508	602,053
Administration	2,270,447	2,142,876	1,974,168
Non-program services	29,204	84,500	20,000
Capital projects	1,021,659	1,083,632	831,956
Debt service	1,610,201	1,252,667	941,037
Total	\$ 17,820,335	\$ 17,152,468	\$ 16,632,409

Modified Accrual Basis of Accounting				
2007	2006	2005	2004	2003
\$ 7,038,897	\$ 6,477,719	\$ 6,066,442	\$ 6,117,788	\$ 5,468,980
44,774	51,572	41,285	54,117	73,955
7,907,071	6,366,280	5,764,705	6,098,652	5,736,528
20,915	16,411	19,970	13,720	15,685
900,890	1,027,574	714,999	645,852	671,938
427,026	512,097	361,449	325,344	482,243
288,332	285,461	237,226	298,171	78,838
16,627,905	14,737,114	13,206,076	13,553,644	12,528,167
2,486,684	2,535,343	2,275,934	2,026,630	1,728,393
255,798	239,609	246,990	314,657	328,268
1,638,704	1,565,248	1,431,115	1,285,294	1,548,898
778,989	655,145	7,743,681	614,980	539,664
6,699,545	4,793,094	4,890,445	4,877,358	4,312,639
618,032	787,097	588,414	535,747	494,248
2,138,733	2,167,003	2,418,039	1,855,790	1,240,332
110,352	327,239	41,639	25,000	-
1,172,569	1,647,786	2,454,669	2,617,181	6,044,927
950,554	941,384	665,329	639,790	654,067
\$ 16,849,960	\$ 15,658,948	\$ 22,756,255	\$ 14,792,427	\$ 16,891,436

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis)
Year Ended June 30, 2010

	CFDA Number	Agency or Pass-Through Number	Program Disburse- ments
Direct:			
DEPARTMENT OF AGRICULTURE			
Natural Resource Conservation Service:			
Watershed Protection and Flood Prevention	10.904	LC-032410	\$ 15,244
		LC-133450	17,829
			<u>33,073</u>
Indirect:			
DEPARTMENT OF AGRICULTURE			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for			
Food Stamp Program	10.561		13,844
DEPARTMENT OF COMMERCE			
Iowa Statewide Interoperable Communications System Board			
Public Safety Interoperable Communications Grants	11.555		30,320
DEPARTMENT OF THE INTERIOR			
Goldent Hills RC&D Partners for Fish & Wildlife			
Partners for Fish and Wildlife	15.631		12,600
DEPARTMENT OF JUSTICE			
Iowa Department of Justice:			
Crime Victim Assistance	16.575		22,859
Edward Byrne Memorial Justice Assistance Grant (ARRA)	16.804		11,069
DEPARTMENT OF TRANSPORTATION			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C075(114)-8J	84,276
		BROS-C075(119)-8J	125,457
			<u>209,733</u> *
Iowa Governor's Traffic Safety Bureau			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	010-410, Task 61	7,584
DEPARTMENT OF EDUCATION			
Iowa Department of Transportation:			
ARRA State Fiscal Stabilization Funds -- Government	84.397	S397A090016A	\$ 45,826
Services, Recovery Act (ARRA)			

(Continued)

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis) - (Continued)
Year Ended June 30, 2010

	CFDA Number	Agency or Pass-Through Number	Program Disburse- ments
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Iowa Department of Human Services:			
Public Health Emergency Preparedness	93.069		\$ 56,472 *
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		7,052
Refugee and Entrant Assistance - State Administered Programs	93.566		39
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		3,625
Foster Care - Title IV-E	93.658		7,384
Adoption Assistance	93.659		1,850
Children's Health Insurance Program	93.767		83
Medical Assistance Program	93.778		15,606
Social Services Block Grant	93.667		7,325 *
Child Support Enforcement	93.563		288
Social Services Block Grant	93.667		65,562 *
Iowa Secretary of State			
Voting Access for Individuals with Disabilities Grants to States	93.617	075-10-001	1,910
DEPARTMENT OF HOMELAND SECURITY			
Iowa Department of Homeland Security and Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		51,872
Emergency Management Performance Grants	97.042		29,551
Total Expenditures of Federal Awards			<u>\$ 635,527</u>

* Total disbursements from these programs exceed 50% of the total federal awards and are considered major programs.

Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Plymouth County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, and are considered to be material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) Significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements, and are considered to be material weaknesses.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs were as follows:

CFDA Number	Program Name
20.205	Highway Planning and Construction
93.667	Social Services Block Grant
93.069	Public Health Emergency Preparedness

- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000
- (i) Plymouth County did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

Instances of Noncompliance

No matters were reported.

There were no prior year audit findings.

Material Weaknesses

II-A-10: Financial Reporting

Observation – During the audit, we identified material amounts of receivables, payables, and capital asset additions not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, payables, and capital asset additions are identified in the County's financial statements.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Response – We will double check these in the future to avoid missing any receivables, payables, or capital asset transactions.

Conclusion – Response accepted

II-B-10: Financial Accounting

Observation – During the audit, we identified grant revenues and expenditures which were not originally recorded or identified to be recorded by the County. The County contracts out the grant administration for these grants to the local hospital who deposited the grant proceeds into their bank account to administer the grant. The checks received from the State of Iowa for these grants were improperly endorsed by the contractor instead of the County.

Recommendation – We recommend the County identify all “pass-thru” type grants and develop procedures to track the “pass-thru” revenue and expenditures for recording purposes and to ensure proper reporting of these types of grants. We also recommend that all grant receipts be deposited by the County before being expended to the contractor for administration.

Response – We will revise our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Part III: Findings and Questioned Costs For Federal Awards

Instances of Non Compliance

No matters were reported.

Material Weaknesses

III-A-10: Grant Administration/Schedule of Expenditures of Federal Awards

Observation – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the County to properly include all amounts and information in the Schedule of Expenditures of Federal Awards.

Recommendation – The County should implement procedures to ensure all federal grants are identified and included in the County's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Response – The County understands the nature of the weaknesses and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

Conclusion – Response accepted

III-B-10: Financial Accounting

Observation – During the audit, federal grant revenues and expenditures of the County were not recorded or identified to be recorded by the County. The County contracts out the grant administration for these grants to the local hospital who deposited the grant proceeds into their bank account to administer the grant. The checks received from the State of Iowa for these grants were improperly endorsed by the contractor instead of the County. See II-B-10.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-10** Certified Budget – Disbursements during the year ended June 30, 2010 exceeded the amount budgeted in the debt service function.

Recommendation – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – We will amend the budget when required.

Conclusion – Response accepted.

- IV-B-10** Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.

- IV-C-10** Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

- IV-D-10** Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2010.

- IV-E-10** Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. Township clerks are included in the blanket bond purchased by the County. Chapter 64.12 of the Code of Iowa requires that all bonds required of the township clerk be furnished and paid for by the township.

Recommendation – The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations. The County should seek reimbursement for the amount paid for the bond premiums for township clerks.

Response – We feel the amount each township owes is minimal and therefore, not worth the time it would take to figure and bill each township.

Conclusion – Response accepted.

- IV-F-10** County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2010 for the County Extension Office did not exceed the amount budgeted.

- IV-G-10** Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

- IV-H-10** Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12b and 12c of the Code of Iowa and the County's investment policy were noted.

PLYMOUTH COUNTY
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2010

III-A-09 Financial Reporting/Grant Administration

Observation – During the audit, we identified material amounts of receivables and payables not recorded in the County's financial statements as well as adjustments required for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the County to properly include all amounts in the Schedule Expenditures of Federal Awards.

Recommendation – The County should implement procedures to ensure all receivables and payables are identified and included in the County's financial statements and that the Schedule of Expenditures of Federal Awards is properly completed.

Response – The County understands the nature of the weakness and will double check these items in the future to avoid missing any receivables, payables or adjustments to the Schedule of Expenditures of Federal Awards.

Conclusion – This finding still exists as of June 30, 2010. See III-A-10.



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors
Plymouth County, Iowa:

Compliance:

We have audited the compliance of PLYMOUTH COUNTY, IOWA with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Plymouth County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Plymouth County's management. Our responsibility is to express an opinion on Plymouth County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Plymouth County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Plymouth County's compliance with those requirements.

In our opinion, Plymouth County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance:

Management of Plymouth County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Plymouth County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on effectiveness of Plymouth County's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as III-A-10 and III-B-10 to be material weaknesses.

Plymouth County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Plymouth County's response and, accordingly, we express no opinion on the them.

This report, a public record by law, is intended solely for the information and use of the board of supervisors, employees and citizens of Plymouth County and other parties to whom Plymouth County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
January 12, 2011



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Plymouth County, Iowa

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PLYMOUTH COUNTY, IOWA as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered Plymouth County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plymouth County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Plymouth County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items II-A-10 and II-B-10 to be material weaknesses.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether Plymouth County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances

of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

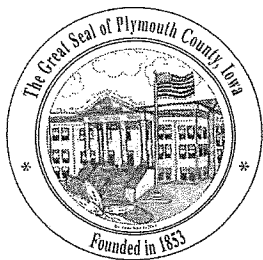
Plymouth County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Plymouth County's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of Plymouth County and other parties to whom Plymouth County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Plymouth County during the course of our audit. Should you have any questions concerning any of the above matters we would be pleased to discuss them with you at your convenience.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
January 12, 2011



Plymouth County Auditor

Stacey Feldman

Plymouth County Courthouse

215 4th Ave. SE

Le Mars, IA 51031

Phone: 712-546-6100

Fax: 712-546-5784

sfeldman@co.plymouth.ia.us

Schedule of Findings and Questioned Costs

Corrective Action Plan

June 30, 2010

Department of Transportation and Department of Health and Human Services

Plymouth County, respectfully submits the following corrective action plan for the year ended June 30, 2010.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended June 30, 2010.

The findings from the June 30, 2010 Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Material Weakness:

III-A-10 - Grant Administration/Schedule of Expenditures of Federal Awards

Observation – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the County to properly include all amounts and information in the Schedule Expenditures of Federal Awards.

Recommendation – The County should implement procedures to ensure all federal grants are identified and included in the County's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Response – The County understands the nature of the weakness and will double all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

III-B-10 - Financial Accounting

Observation – During the audit, we identified grant revenues and expenditures which were not originally recorded or identified to be recorded by the County. The County contracts out the grant administration for these grants to the local hospital who deposited the grant proceeds into their bank account to administer the grant. The checks received from the State of Iowa for these grants were improperly endorsed by the contractor instead of the County.

Recommendation – We recommend the County identify all “pass-thru” type grants and develop procedures to track the “pass-thru” revenue and expenditures for recording purposes and to ensure proper reporting of these types of grants. We also recommend that all grant receipts be deposited by the County before being expended to the contractor for administration.

Response – We will revise our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

If the Department of Transportation or the Department of Health and Human Services have questions regarding this plan, please call Stacy Feldman at 712-546-6100.

Sincerely yours,

PLYMOUTH COUNTY

A handwritten signature in cursive script that reads "Stacey Feldman". The signature is written in dark ink and is positioned below the printed name "Stacey Feldman, Auditor".

Stacey Feldman, Auditor